

# **JSC MFC “Mikro Kapital”**

Financial statements and  
Independent auditor’s report  
for the year ended 31 December 2019

**INDEPENDENT AUDITOR'S REPORT**  
**on annual financial statements MFC «Mikro Kapital» Joint Stock Company for the year of 2019**

**To: the Shareholder and the Supervisory Board of  
MFC «Mikro Kapital» Joint Stock Company**

**Opinion**

We have audited the accompanying annual financial statements of MFC «Mikro Kapital» Joint Stock Company (OGRN 1056316050790, 443013 Russian Federation, Samara, prospect Karla Marksa, 32), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year of 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying annual financial statements present fairly, in all material respects, the financial position of MFC «Mikro Kapital» Joint Stock Company as at 31 December 2019, and its financial performance and its cash flows for the year of 2019 in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Audited entity in accordance with the Rules for the Independence of Auditors and Audit Organisations and the Code of Professional Ethics of Auditors that comply with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and the Supervisory Board of the Audited Entity for the  
Annual Financial Statements**

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Audited entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Audited entity or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Audited entity's annual financial reporting process.

**Auditor's Responsibilities for the Audit of the Annual Financial Statements**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Audited entity's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Audited entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Audited entity to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with members of the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report

Audit Director  
OOO Moore Stephens

T.E Struk

**Auditor:**

OOO Moore Stephens  
OGRN 1027739140857  
117638, Moscow, Odesskaya str. 2, floor 6, room 1  
Member of the self-regulatory organisation of auditors Association "Sodruzhestvo"  
ORNZ 11606055761.



A handwritten signature in blue ink, appearing to read "T.E Struk", positioned to the right of the circular stamp.

06.04.2020

# JSC MFC «MIKRO KAPITAL»

## Statement of Financial Position as at 31 December 2019 (in EUR)

	Note	31 December 2019	31 December 2018
<b>ASSETS</b>			
Cash and cash equivalents	6	1 326 801	370 084
Loans to customers	7,8	22 201 723	19 900 090
Property and equipment	9	5 995	18 380
Intangible assets	10	62 998	59 346
Other assets	11	436 738	177 280
Deferred tax asset	19	311 916	137 798
Income tax receivable		13 552	-
<b>Total assets</b>		<b>24 359 723</b>	<b>20 662 979</b>
<b>LIABILITIES</b>			
Loans payable	12	14 216 244	13 854 855
Other liabilities	13	409 673	1 226 806
Current income tax liability		-	16 273
<b>Total liabilities</b>		<b>14 625 917</b>	<b>15 097 934</b>
<b>EQUITY</b>			
Share capital	14	8 028 901	8 028 901
Paid-in capital		7 545 428	4 603 935
Accumulated deficit		(186 652)	(575 044)
Currency translation differences		(5 653 871)	(6 492 748)
<b>TOTAL EQUITY</b>		<b>9 733 806</b>	<b>5 565 044</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>24 359 723</b>	<b>20 662 978</b>

  
Svetlana Chubakova,  
Chief Executive Officer

30 March 2020  
Samara



The notes on pages 8-45 form an integral part of these financial statements.

## JSC MFC «MIKRO KAPITAL»

### Statement of Comprehensive Income for the year ended 31 December 2019 (in EUR)

	Note	2019	2018
Interest income	15	8 366 547	2 942 722
Interest expenses	15,25	(2 265 795)	(646 416)
<b>Net interest income before credit losses from loans to customers</b>		<b>6 100 752</b>	<b>2 296 306</b>
Charge of provision for credit losses from loans to customers	8	(1 221 894)	(188 574)
<b>Net interest income after credit losses from loans to customers</b>		<b>4 878 858</b>	<b>2 107 732</b>
Fee and commission income	16	176 410	21 173
Fee and commission expenses	16	(100 062)	(86 841)
Foreign exchange transactions losses		(25 768)	(103 476)
Personnel expenses	17,25	(3 061 191)	(1 122 585)
Depreciation of property and equipment and amortization of intangible assets	9,10	(34 851)	(22 323)
Other operating expenses	17	(1 460 257)	(657 061)
<b>Operating income</b>		<b>373 139</b>	<b>136 619</b>
Other income	18	842	66 578
Other expenses	18	(71 160)	(37 851)
<b>Profit before tax</b>		<b>302 821</b>	<b>165 346</b>
Income tax recovery	19	85 571	103 542
<b>Net profit</b>		<b>388 392</b>	<b>268 888</b>
<b>Other comprehensive income/(loss)</b>			
Currency translation differences		838 877	(572 978)
<b>Other comprehensive income/(loss)</b>		<b>838 877</b>	<b>(572 978)</b>
<b>Total comprehensive income/(loss)</b>		<b>1 227 269</b>	<b>(304 090)</b>

  
Svetlana Chubakova  
Chief Executive Officer

30 March 2020  
Samara



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## JSC MFC «MIKRO KAPITAL»

### Statement of changes in equity for the year ended 31 December 2019 (in EUR)

	Note	Share capital	Paid-in capital	Currency translation difference	(Accumulated deficit)/ Retained earnings	Total equity
<b>Balance as at 31 December 2017</b>	<b>14</b>	<b>12 814 539</b>	<b>2 250 200</b>	<b>(5 919 770)</b>	<b>(5 629 570)</b>	<b>3 515 399</b>
Paid-in capital		-	2 353 735	-	-	<b>2 353 735</b>
Reduction of the nominal value of shares		(4 785 638)	-	-	4 785 638	-
Total comprehensive income		-	-	(572 978)	268 888	<b>(304 090)</b>
<b>Balance as at 31 December 2018</b>	<b>14</b>	<b>8 028 901</b>	<b>4 603 935</b>	<b>(6 492 748)</b>	<b>(575 044)</b>	<b>5 565 044</b>
Paid-in capital		-	2 941 493	-	-	<b>2 941 493</b>
Total comprehensive income		-	-	838 877	388 392	<b>1 227 269</b>
<b>Balance as at 31 December 2019</b>	<b>14</b>	<b>8 028 901</b>	<b>7 545 428</b>	<b>(5 653 871)</b>	<b>(186 652)</b>	<b>9 733 806</b>

  
Svetlana Chubakova  
Chief Executive Officer

30 March 2020  
Samara



The notes on pages 8-45 form an integral part of these financial statements.